

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENT AND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS**

**JUNE 30, 2011**

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**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**OFFICIALS**

<i>NAME</i>	<i>TITLE</i>	<i>REPRESENTING</i>
Kevin Doty	Board Chairperson	City of Fort Dodge
Chris Wendell	Board Member	City of Badger
Jeff Nemmers	Board Member	City of Fort Dodge
Tim Carmody	Board Member	City of Fort Dodge
Bruce McCormack	Board Member	City of Gowrie
Brian Mickelson	Board Member	Webster County
Bob Singer	Board Member	Webster County

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**



**SCHNURR & COMPANY, LLP**  
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Webster County Metropolitan  
Law Enforcement Telecommunications Board:

We have audited the accompanying financial statement of the Webster County Metropolitan Law Enforcement Telecommunications Board (Telecommunications Board) as of and for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of the Telecommunications Board's management. Our responsibility is to express an opinion on the financial statement based on our audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinions.

As described in Note 1, this financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position for the Webster County Metropolitan Law Enforcement Telecommunications Board as of June 30, 2011 and 2010, and the changes in its cash basis financial position for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2012 on our consideration of the Telecommunications Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 5 is not a required part of the financial statement, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

*Schnurr & Company, LLP*

Fort Dodge, Iowa  
March 26, 2012

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Webster County Metropolitan Law Enforcement Telecommunications Board provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities of the Webster County Metropolitan Law Enforcement Telecommunications Board is for the fiscal years ended June 30, 2011 and 2010, respectively. We encourage readers to consider this information in conjunction with the Telecommunications Board's financial statement, which follows.

**2011 FINANCIAL HIGHLIGHTS**

- Operating receipts increased 2.82%, or \$10,970 from, fiscal 2010 to fiscal 2011.
- Operating disbursements increased 4.08%, or \$15,917, from fiscal 2010 to fiscal 2011.
- Cash basis net assets decreased 9.85%, or \$5,735, from June 30, 2010 to June 30, 2011.

**USING THIS ANNUAL REPORT**

The Telecommunications Board has elected to present its financial statement on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in the financial statement. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the financial statement. The annual report consists of the financial statement and other information, as follows:

- Management's Discussion and Analysis introduces the financial statement and provides an analytical overview of the Telecommunications Board's financial activities.
- The Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets – Governmental Funds presents information on the Telecommunication Board's operating receipts and disbursements, non-operating receipts and disbursements and whether the Telecommunications Board's financial position has improved or deteriorated as a result of the year's activities.
- The Notes to Financial Statement provide additional information essential to a full understanding of the data provided in the financial statement.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### FINANCIAL ANALYSIS OF THE TELECOMMUNICATIONS BOARD

#### *Statement of the Cash Receipts, Disbursements and Changes in Cash Basis Net Assets- Governmental Funds*

The purpose of the statement is to present the receipts received by the Telecommunications Board and the disbursements paid by the Telecommunications Board, both operating and non-operating. The statement also presents a fiscal snapshot of the cash balance at year-end. Over time, readers of the financial statement are able to determine the Telecommunications Board's cash basis financial position by analyzing the increase and decrease in cash basis net assets.

Operating receipts are received for assessments from the members of the Telecommunications Board and E-911 Service Board fees. Operating disbursements are disbursements paid to operate the Call Center. Non-operating receipts are for interest on investments. A summary of cash receipts, disbursements and changes in cash basis net assets – governmental funds for the year ended June 30, 2011 and 2010 is presented below:

	<b>Year Ended June 30,</b>	
	<b>2011</b>	<b>2010</b>
Operating Receipts:		
Member assessments	\$ 355,352	\$ 349,882
Webster County E-911 service board fees	45,000	39,500
<b>Total operating receipts</b>	<b>400,352</b>	<b>389,382</b>
Operating Disbursements:		
Salaries and benefits	367,922	356,079
Maintenance	4,572	4,515
Terminal billings	12,828	12,504
Office supplies	4,045	2,745
Utilities	8,540	7,881
Professional services	3,725	3,788
Insurance	981	1,008
Miscellaneous	3,515	1,691
<b>Total operating disbursements</b>	<b>406,128</b>	<b>390,211</b>
<b>(Deficiency) of operating receipts (under) operating disbursements</b>	<b>(5,776)</b>	<b>(829)</b>
Non-operating receipts:		
Interest on investments	41	419
Change in cash basis net assets	(5,735)	(410)
Cash basis net assets beginning of year	58,229	58,639
Cash basis net assets end of year	\$ 52,494	\$ 58,229

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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### **FINANCIAL ANALYSIS OF THE TELECOMMUNICATIONS BOARD (Continued)**

#### *Statement of the Cash Receipts, Disbursements and Changes in Cash Basis Net Assets- Governmental Funds (Continued)*

In fiscal 2011, operating receipts increased 2.8%, or \$10,970, from fiscal 2010. Member assessment receipts increased 1.6% from fiscal 2010 while other receipts increased 13.9%. In fiscal 2011, operating disbursements increased \$15,917, over fiscal 2010. The increase in disbursements was primarily due to increased personnel costs and training expenses.

### **DEBT ADMINISTRATION**

At June 30, 2011 and 2010, the Telecommunications Board had no long-term debt outstanding.

### **ECONOMIC FACTORS**

The financial position of the Telecommunications Board decreased in the current fiscal year. The current condition of the economy in the state continues to be a concern for Telecommunications Board officials. Some of the realities that may potentially become challenges for the Telecommunications Board to meet are:

- Cost of living increases.
- Increase cost of insurance.
- The cost of benefits for long-term employees.

The Telecommunications Board anticipates the current fiscal year will be very much like the last and will maintain a close watch over resources to maintain the Telecommunications Board's ability to react to unknown issues.

### **CONTACTING THE TELECOMMUNICATIONS BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Telecommunications Board's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Webster County Metropolitan Law Enforcement Telecommunications Board, 702 1<sup>st</sup> Avenue S., Fort Dodge, Iowa 50501.

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

## **FINANCIAL STATEMENT**

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH BASIS NET ASSETS -- GOVERNMENTAL FUNDS  
As of and For the Years Ended June 30, 2011 and 2010**

**Exhibit A**

	2011	2010
<b>Operating Receipts:</b>		
Member assessments	\$ 355,352	\$ 349,882
Webster County E-911 service board fees	45,000	39,500
<b>Total operating receipts</b>	<b>400,352</b>	<b>389,382</b>
<b>Operating Disbursements:</b>		
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<b>Non-operating Receipts:</b>		
Interest on investments	41	419
Change in cash basis net assets	(5,735)	(410)
Cash basis net assets beginning of year	58,229	58,639
Cash basis net assets end of year	<b>\$ 52,494</b>	<b>\$ 58,229</b>
<b>Cash Basis Net Assets</b>		
Unrestricted	<b>\$ 52,494</b>	<b>\$ 58,229</b>

See Notes to Financial Statement.

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**NOTES TO FINANCIAL STATEMENT**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Webster County Metropolitan Law Enforcement Telecommunications Board was formed in 1975 pursuant to the provisions of Chapter 28E of the Code of Iowa. The Telecommunications Board is to provide uniform law enforcement and emergency communications to the citizens of Webster County.

The Telecommunications Board is composed of two representatives appointed by the Webster County Board of Supervisors, three representatives appointed by the Fort Dodge City Council and two representatives appointed from the remaining member cities. The participating cities are Badger, Barnum, Callender, Clare, Dayton, Duncombe, Fort Dodge, Gowrie, Harcourt, Lehigh, Moorland, Otho and Vincent.

**A. Reporting Entity**

For financial reporting purposes, the Telecommunications Board has included all funds and organizations. The Telecommunications Board has also considered all organizations for which the nature and significance of their relationship with the Telecommunications Board are such that exclusion would cause the Telecommunications Board's financial statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Telecommunications Board to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Telecommunications Board. The Telecommunications Board has no component units that meet the Governmental Accounting Standards Board criteria.

**B. Basis of Presentation**

The accounts of the Telecommunications Board are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation, and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

**C. Basis of Accounting**

The Webster County Metropolitan Law Enforcement Telecommunication's Board maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Telecommunications Board is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statement does not present the financial position and results of operations of the Telecommunications Board in accordance with U.S. generally accepted accounting principles.

## **NOTES TO FINANCIAL STATEMENT**

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### **NOTE 2. CASH AND INVESTMENTS**

The Telecommunications Board's deposits in banks at June 30, 2011 and 2010 were entirely covered by Federal Depository Insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Telecommunications Board is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers' acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2011 and 2010, the Telecommunications Board had investments in the Iowa Public Agency Investment Trust that are valued at an amortized cost of \$29,835 and \$29,816, respectively, pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated for credit risk purpose.

### **NOTE 3. PENSION AND RETIREMENT BENEFITS**

The Telecommunications Board contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.50% of their annual covered salary and the Telecommunications Board is required to contribute 6.95% of annual covered payroll. Contribution requirements are established by State statute. The Telecommunications Board's contribution to IPERS for the years ended June 30, 2011, 2010, and 2009 was \$20,367, \$21,255 and \$18,145, respectively, equal to the required contributions for each year.

### **NOTE 4. RISK MANAGEMENT**

The Telecommunications Board is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Telecommunications Board assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTES TO FINANCIAL STATEMENT**

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**NOTE 5. OPERATING LEASE AGREEMENT**

The Telecommunications Board entered into a lease for a copy machine during the fiscal year ended June 30, 2011. The lease has been classified as an operating lease. The lease expires during the fiscal year ending June 30, 2017.

The following is a schedule of future minimum rental payments required under the operating lease that has an initial or remaining non-cancelable lease term in excess of one year as of June 30, 2011:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 1,248
2013	1,248
2014	1,248
2015	1,248
2016 and thereafter	1,352
<b>Total</b>	<b>\$ 6,344</b>

Rental disbursements for the years ended June 30, 2011 and 2010 totaled \$2,136 each year.

**NOTE 6. COMPENSATED ABSENCES**

The Telecommunications Board's employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. This accumulation is not recognized as a disbursement by the Telecommunications Board until used or paid. The Telecommunications Board's approximate liability for earned vacation payable to employees at June 30, 2011 and 2010 was \$13,669 and \$8,880 respectively. This liability has been computed based on rates of pay in effect at June 30, 2011 and 2010.

**NOTE 7. IOWA STATE AUDITOR'S OFFICE FINDINGS**

During the year ended June 30, 2010 a theft by the former communications supervisor was identified by the Telecommunications Board. The Iowa State Auditor's Office has conducted an investigation and issued a report dated November 1, 2011 related to this fraud. That report disclosed \$4,921 of undeposited collections and \$2,399 of improper disbursements during the period from July 1, 2006 through January 28, 2011. The report issued by the Iowa State Auditor is available in the Office of the Auditors of State and on the Auditors of State's website.

**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**



**SCHNURR & COMPANY, LLP**  
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Webster County Metropolitan  
Law Enforcement Telecommunications Board:

We have audited the accompanying financial statement of the Webster County Metropolitan Law Enforcement Telecommunications Board as of and for the year ended June 30, 2011 and 2010, and have issued our report thereon dated March 26, 2012. Our report expressed unqualified opinions on the financial statements that were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Webster County Metropolitan Law Enforcement Telecommunications Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of the Webster County Metropolitan Law Enforcement Telecommunications Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Webster County Metropolitan Law Enforcement Telecommunications Board internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Telecommunications Board's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Webster County Metropolitan Law Enforcement Telecommunications Board's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. We noted certain immaterial instances of non-compliance or other matters that are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Telecommunications Board's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Telecommunications Board. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The Webster County Metropolitan Law Enforcement Telecommunications Board's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the Telecommunications Board's responses, we did not audit the Webster County Metropolitan Law Enforcement Telecommunications Board's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the members and customers of the Webster County Metropolitan Law Enforcement Telecommunications Board and other parties to whom the Telecommunications Board may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Webster County Metropolitan Law Enforcement Telecommunications Board during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Schnurr & Company, LLP*

Fort Dodge, Iowa  
March 26, 2012

**WEBSTER COUNTY METROPOLITAN  
LAW ENFORCEMENT TELECOMMUNICATIONS BOARD**

**SCHEDULE OF FINDINGS**

Year ended June 30, 2011

**FINDINGS RELATED TO THE FINANCIAL STATEMENT:**

**MATERIAL WEAKNESSES:**

(A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties, which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. We noted the following:

- (1) The duties of billing members for assessments, recording collections, preparing deposits, reconciling book and bank balances, and directing the Telecommunication Board's CPA firm how to post the receipts are performed by a single individual.
- (2) Detailed accounts receivable records are not maintained by someone independent of collecting and recording receipts.
- (3) Disbursements, including preparation of an accounts payable listing for Board approval, possession of the Telecommunication Board's debit and credit cards, were all controlled by a single individual.
- (4) Reporting, including preparation of Board meeting accounts payable listings, monthly reports and annual budgets are all controlled by a single individual.
- (5) Tabulating employee time sheets and providing a time summary to the Telecommunication Board's CPA firm were controlled by a single individual and not reviewed by members of the Board.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the duties within each function listed above should be segregated between the communications supervisor, the Board chairperson, and Board members. In addition, the Board should review financial records, perform reconciliations, and examine supporting documentation for accounting records on a periodic basis.

Response – The Board will attempt to be more involved in the financial and oversight processes as well as segregating duties within the Telecommunication Board as discussed above.

Conclusion – Response accepted

**WEBSTER COUNTY METROPOLITAN LAW  
ENFORCEMENT TELECOMMUNICATIONS BOARD**

**SCHEDULE OF FINDINGS (Continued)**

Year ended June 30, 2011

**FINDINGS RELATED TO THE FINANCIAL STATEMENT (CONTINUED):**

**MATERIAL WEAKNESSES (Continued):**

(B) Accounting Procedures Manual – We encourage the development of an office procedures and standardized accounting manual. The manual should provide the following benefits:

- (1) Aid in training additional or replacement personnel.
- (2) Help achieve uniformity in accounting and in the application of policies and procedures for the Board.

Recommendation – An office procedures and accounting manual should be prepared.

Reponses – The Board will work toward getting an accounting manual together between the accounting service and the Communication Center, which defines the Board's procedures.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:**

- (1) Questionable Disbursements – Certain disbursements were deemed to be improper by the Iowa State Auditor's Office, in their report issued November 1, 2011. These disbursements don't meet the requirements of public purpose as designed in an Attorney General's opinion dated April 25, 1979. See note 7 of the financial statements for further detail on these findings.

Recommendation – The Telecommunications Board should determine and document the public purpose for all disbursements before authorizing any further payments. The Telecommunications Board should assess the segregation of duties and written policies and procedures within the Organization to prevent future disbursements of this nature.

Response – The public purpose for all future disbursements will be properly documented and reviewed.

Conclusion – Response accepted.

- (2) Travel Expense – No disbursements of Telecommunications Board money for travel expenses of spouses of Board officials or employees were noted.

**WEBSTER COUNTY METROPOLITAN LAW  
ENFORCEMENT TELECOMMUNICATIONS BOARD**

**SCHEDULE OF FINDINGS (Continued)**

Year ended June 30, 2011

**OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING (Continued):**

- (3) Business Transactions – No business transactions between the Telecommunications Board and Telecommunications Board officials or employees were noted.
- (4) Board Minutes – No transactions were found that we believe should have been approved in the Telecommunications Board minutes but were not.
- (5) Deposits and Investments – Except as noted below, no instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa were noted.

The Telecommunications Board has not adopted a written investment policy as required by Chapter 12B.10B of the Code of Iowa.

Recommendation – The Telecommunications Board should adopt a written investment policy to comply with the provisions of Chapter 12B.10B of the Code of Iowa.

Response – The Board is in the process of adopting a written investment policy. The only investment account we currently use is IPAIT.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Members of the Webster County Metropolitan Law Enforcement Telecommunications Board during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Schnurr & Company, LLP*

Fort Dodge, Iowa  
March 26, 2012